

REMARKS

This Application has been carefully reviewed in light of the Office Action mailed June 14, 2006 ("Office Action"). At the time of the Office Action, Claims 1-31 were pending in the application. In the Office Action, the Examiner rejects Claims 1-31. To advance prosecution of this case, Applicants amend Claims 1, 15, and 16. In addition, Applicants cancel Claims 2 and 3. Applicants do not admit that any amendments are necessary due to any prior art or any of the Examiner's rejections. Applicants respectfully request reconsideration and allowance of Claims 1-31.

Claim Rejections - 35 U.S.C. § 102

The Examiner rejects Claims 1-31 under 35 U.S.C. 102(e) as being anticipated by U.S. Patent Application Publication No. 2003/0144057 A1 to Brenner, et al. ("*Brenner*"). Applicants respectfully request reconsideration and allowance of Claims 1-31.

Brenner fails to support the rejection of amended Claim 1 for several reasons. First, *Brenner* fails to teach, suggest, or disclose determining "a settlement between the first and second wagering facilities" as recited in amended Claim 1. Second, *Brenner* fails to teach, suggest, or disclose a clearinghouse operable to "store one or more contract parameters between the first and second wagering facilities" as recited in amended Claim 1. Third, *Brenner* fails to teach, suggest or disclose a settlement that is "based at least in part upon the result, the one or more contract parameters, and at least a portion of the audit information associated with the bet" as recited in amended Claim 1.

First, *Brenner* fails to teach, suggest, or disclose determining "a settlement between the first and second wagering facilities" as recited in amended Claim 1. Instead, *Brenner* discloses transactions between an individual bettor and a particular racetrack. In particular, *Brenner* describes a network that allows users to place wagers on events hosted by various racetracks. (¶ 46). In *Brenner*, each racetrack maintains a machine -- namely, a "totalisator" -- that generates wagering odds based on wagers placed on racing events. (¶ 46). *Brenner* discloses that the totalisators of each track may communicate with each other. (¶ 47). As a result, a totalisator for one racetrack may display odds and receive wagers for an event hosted by another racetrack. (¶ 47). To place a wager on an event, an individual bettor uses a "user terminal" to establish a connection with a totalisator at a racetrack. (¶¶ 57-58). Using the

user terminal, the bettor establishes an account with the racetrack and then submits a wager. (¶¶ 57-58). Based on the outcome of the event, the totalisator may credit the individual bettor's account if the wager is a winning wager. (¶¶57-58). Thus, *Brenner* discloses crediting or debiting an account between an individual bettor and a particular racetrack's totalisator.

Notably, however, there is nothing in *Brenner* that teaches, suggests, or discloses determining a "settlement" between, for example, a first racetrack and a second racetrack. *Brenner* only discusses managing an account between an individual bettor and a racetrack. For example, one of the cited portions of *Brenner* states:

Typically, once the user places a wager the user's account at totalisator 102 is debited. If the user's wager pays off, the user's account at totalisator 102 is credited by the appropriate amount.

(¶ 58). Another cited portion of *Brenner* states:

In order to place wagers, the wager information entered onto menu 262 must be sent to totalisator 102 (FIG. 1) via network 128 (FIG. 1). At the same time that a wager is sent, the user must transmit his personal identification code to allow the totalisator 102 (FIG. 1) to verify the status of the account against which the wager is to be placed. Totalisator 102 adjusts the user's account to reflect the results of the wager. If sufficient funds exist in the account, and if the wagering information is otherwise satisfactory, totalisator 102 (FIG. 1) will accept the wager and will typically debit the account. If the wager pays off, the account will be credited by the appropriate amount.

(¶ 84). Thus, the system in *Brenner* credits or debits an account between an individual bettor's user terminal and a particular totalisator. Crediting or debiting an account between a bettor's user terminal and a totalisator does not teach, suggest, or disclose a "settlement between the first and second wagering facilities" as recited in amended Claim 1. The reason is that a user terminal is not a "wagering facility" as recited in amended Claim 1. Indeed, the claims of the present application demonstrate the distinction between a "wagering facility" and a "terminal." For example, Claim 9 recites, in part, a "wagering facility operable to receive the bet from...a local betting terminal." Thus, Claim 9 shows that a "wagering facility" and a "local betting terminal" are distinct elements of the claimed system. Because a claim term used in more than one claim of a patent should be interpreted consistently in all claims, the phrase "wagering facility" in amended Claim 1 must be treated consistently with the language of Claim 9. *Southwall Technologies, Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1579 (Fed. Cir. 1995). Accordingly, neither the "first wagering facility" nor the "second

wagering facility” recited in amended Claim 1 are “user terminals” as described in *Brenner*. Because *Brenner* only describes an account between a racetrack totalisator and a user terminal, *Brenner* does not teach, suggest, or disclose determining “a settlement between the first and second wagering facilities” as recited in amended Claim 1. Accordingly, *Brenner* fails to support the rejection.

Second, *Brenner* fails to teach, suggest, or disclose a clearinghouse operable to “store one or more contract parameters between the first and second wagering facilities” as recited in amended Claim 1. With respect to storing “contract parameters,” the Examiner cites a portion of *Brenner* that describes an individual bettor communicating with one racetrack’s totalisator to place a wager on an event hosted by another racetrack. The cited portion of *Brenner* states:

For example, as shown in FIG. 1, totalisators 102, 104, 106, and 108 are interconnected by data lines 110. Totalisators 102-108 communicate between one another using data lines 110 and a communication protocol known as the Intertote Track System Protocol (ITSP). The communication between totalisators 102-108 allows totalisators 102-108 to share pools, thereby allowing racing fans that interact with one totalisator to view odds and place wagers on races at other racetracks.

(¶ 47). Thus, totalisators may communicate with each other and share pools. The fact that two racetracks may share a pool, however, does not teach, suggest, or disclose “one or more contract parameters between the first and second wagering facilities” as recited in amended Claim 1. In addition, merely sharing a pool between two racetracks does not teach, suggest, or disclose that the “clearinghouse” is “operable to store one or more contract parameters” as recited in amended Claim 1. Because *Brenner* fails to teach, suggest, or disclose these aspects of amended Claim 1, *Brenner* fails to support the rejection.

Third, *Brenner* fails to teach, suggest or disclose a settlement that is “based at least in part upon the result, the one or more contract parameters, and at least a portion of the audit information associated with the bet” as recited in amended Claim 1. As explained above, *Brenner* merely discloses an account between an individual bettor and a racetrack’s totalisator. Amended Claim 1 recites, however, determining “a settlement between the first and second wagering facilities based at least in part upon...the one or more contract parameters” that are “between the first and second wagering facilities.” Not only is the bettor’s account in *Brenner* not “between the first and second wagering facilities,” but *Brenner* does not teach, suggest, or disclose that the crediting or debiting of that account is

“based at least in part upon...the one or more contract parameters” that are “between the first and second wagering facilities” as recited in amended Claim 1. Accordingly, *Brenner* fails to teach, suggest, or disclose a settlement that is “based at least in part upon the result, the one or more contract parameters, and at least a portion of the audit information associated with the bet” as recited in amended Claim 1. Because *Brenner* fails to teach the foregoing aspects of amended Claim 1, *Brenner* fails to support the rejection.

Claims 21 and 26 recite elements that are analogous to those discussed above with respect to amended Claim 1. Claims 21 and 26 have not been amended. For at least the reasons stated above with respect to amended Claim 1, Applicants respectfully request reconsideration and allowance of Claims 21 and 26.

Claims 2-20, 22-25, and 27-31 depend from independent claims shown above to be allowable. In addition, these claims recite further elements not taught, suggested, or disclosed by *Brenner*. In particular, *Brenner* fails to teach, suggest, or disclose that the “first wagering facility transmits the first bet separately from the second bet” as recited in Claim 12. *Brenner* also fails to teach, suggest, or disclose that the clearinghouse is operable “to store a first account for the first wagering facility, to store a second account for the second wagering facility, and to transfer funds between the first and second accounts based at least in part upon the settlement determination” as recited in Claim 15.

First, *Brenner* fails to teach, suggest, or disclose that the “first wagering facility transmits the first bet separately from the second bet” as recited in Claim 12. The cited portion of *Brenner* explains that a user terminal may display a “wager queue menu” that allows an individual bettor to make multiple bets. The cited portion states:

The menu options listed in menus 256 and 262 (FIGS. 16 and 17) allow the user to modify the wagers listed in the queue, make additional bets, etc. For example, as shown in FIG. 3, if at step 258 the user selects “more bets same race,” the user is returned to step 214, at which a new wager amount can be selected. The user can then proceed through steps 230, 244, 254, etc. as described above. If at step 258 the user selects “more bets other race,” the user is returned to step 204, at which a new track may be selected. Another option at step 258 is to return to the main menu. If “main menu” is selected, the user is returned to step 172.

(¶ 82). Thus, a bettor may submit multiple, separate bets via a user terminal. As explained with respect to amended Claim 1, however, the user terminal in *Brenner* is not a “wagering facility.” Thus, the cited portion of *Brenner* does not teach, suggest, or disclose that the “first

wagering facility transmits the first bet separately from the second bet” as recited in Claim 12. Because *Brenner* fails to teach, suggest, or disclose this aspect of Claim 12, *Brenner* fails to support the rejection.

Second, *Brenner* fails to teach, suggest, or disclose that the clearinghouse is operable “to store a first account for the first wagering facility, to store a second account for the second wagering facility, and to transfer funds between the first and second accounts based at least in part upon the settlement determination” as recited in Claim 15. As explained above with respect to amended Claim 1, *Brenner* merely discloses crediting or debiting an account between an individual bettor and a racetrack’s totalisator. Because the individual bettor or user terminal in *Brenner* is not a “wagering facility” as recited in Claim 15, *Brenner* does not teach, suggest, or disclose transferring funds between “a first account for the first wagering facility” and “a second account for the second wagering facility” as recited in Claim 15. Accordingly, *Brenner* fails to support the rejection of Claim 15. For at least the foregoing reasons, Applicants respectfully request reconsideration and allowance of Claims 2-20, 22-25, and 27-31.

CONCLUSION

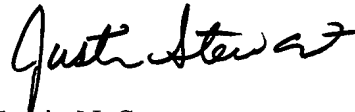
Applicants have made an earnest attempt to place this case in condition for allowance. For the foregoing reasons, and for other reasons clearly apparent, Applicants respectfully request full allowance of all pending claims.

If the Examiner feels that a telephone conference would advance prosecution of this Application in any manner, the Examiner is invited to contact Justin N. Stewart, Attorney for Applicants, at the Examiner's convenience at (214) 953-6755.

Applicants believe no fees are due, however, the Commissioner is hereby authorized to charge any additional fees or credit any overpayments to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,

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